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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

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Estimated 1953 East German Investments in
Building up National Armed Forces

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In a speech on fiscal matters made before a meeting of East German
functionaries under the chairmanship of Lerner Aggerath, Otto Grotewohl
stated that in 1953 East Germany would have to make available by cuts
from the national budget and the Five Year Plan approximately 1.5 billion
DM to build up national armed forces. About 350 million DM of this sum
will have to be taken from property and income taxes. Grotewohl
emphasized the necessity of explaining to the East German population the
reason for applying such large sums of money toward the creation of
national forces. Grotewohl also pointed out that the figures he quoted were
merely approximations and were subject to change.

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